

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE**

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**FY 2013-14 FUNDING ROUND
NOTICE OF FUNDING AVAILABILITY (NOFA)
INFILL INFRASTRUCTURE GRANT PROGRAM
May 14, 2013**

**INFILL INFRASTRUCTURE GRANT PROGRAM FUNDING
APPROXIMATELY \$70 MILLION**

PROGRAM DESCRIPTION

A. Introduction

The State Department of Housing and Community Development (HCD) is announcing the availability of approximately \$70 million in funding for the Infill Infrastructure Grant (IIG) Program. Funding for this Notice of Funding Availability (NOFA) is provided under the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C) pursuant to Chapter 2 of Part 12 of Division 31 of the Health & Safety Code, Sections 53545.12 and 53545.13. Additional funds may be added to the NOFA based on future project fund disencumbrances.

B. Program Summary

IIG Program funds being offered through this NOFA are available as grant funds for the gap funding of infrastructure improvements that are an integral part of or are necessary to facilitate the development of new infill housing for specific residential or mixed-use projects.

Available funds are subject to the revised IIG Program Guidelines (Guidelines) issued by the HCD and dated May 10, 2013. These Guidelines include detailed information on eligibility requirements and application selection criteria, and may be accessed at <http://www.hcd.ca.gov/fa/iig>.

C. Grant Amounts

A **Qualifying Infill Project** is a residential or mixed-use residential development project that meets all of the criteria as set forth in Sections 303 and 308 of the Guidelines. Except as set forth below, the minimum Program grant for a **Qualifying Infill Project** is \$500,000 in urban areas and \$250,000 in rural areas. The maximum Program grant for a Qualifying Infill Project is \$4 million for this NOFA.

The total maximum grant amount shall be limited based on the number of units in the Qualifying Infill Project, the bedroom count of these units, and the density and affordability of the housing to be developed. The following tables outline the values used in calculating the maximum grant amount allowed in this NOFA. The maximum grant limit equals the basic grant limit multiplied by the net density adjustment factor. The total actual grant amount shall be based upon the lesser of the gap funding amount necessary to fund the Capital Improvement Project or the maximum amount calculated from the tables.

Basic Grant Limits

Income Level & Tenure	0-Bdrm	1-Bdrm	2-Bdrm	3-Bdrm	4-Bdrm
200%+ FMR* or Exceeds CALHFA Sales Prices**	\$3,000	\$6,000	\$9,000	\$12,000	\$15,000
IIG Unrestricted***	\$20,000	\$23,000	\$27,000	\$33,000	\$36,000
Moderate Owner	\$23,000	\$26,000	\$31,000	\$37,000	\$40,000
Low Owner	\$26,000	\$29,000	\$35,000	\$41,000	\$45,000
60% AMI Rental	\$26,000	\$29,000	\$35,000	\$41,000	\$45,000
50% AMI Rental	\$30,000	\$34,000	\$39,000	\$47,000	\$50,000
30% AMI Rental	\$35,000	\$37,000	\$42,000	\$54,000	\$57,000

***200% FMR Unit:** A 200 percent Fair Market Rent (“FMR”) Unit is a rental unit with a proposed monthly rent which is equal to or greater than 200 percent of its county’s FMR as defined by HUD.

****Exceeds CalHFA Maximum Sales Price Unit:** A for-sale unit with a proposed sales price which exceeds its county’s maximum allowable sales price for a new construction unit as published by CalHFA.¹

*****IIG Unrestricted:** An Unrestricted Unit for the purposes of calculating grant amounts in the IIG program is any unit not restricted at the other levels identified in Section 302(a) but also not meeting either of the above definitions.

¹ The current CalHFA sales price chart can be viewed at the following website:
<http://www.calhfa.ca.gov/homeownership/limits/salesprice/salesprice.pdf>.

To determine if a project is in a “target” area, utilize the CalHFA tools found at the following website:
<http://www.calhfa.ca.gov/homebuyer/property.htm>.

Net Density Adjustments to Basic Grant Limits

Net Density (housing units per acre)	Adjustment Factor
Less than 30	1
30 – 34.9	1.04
35 – 39.9	1.08
40 – 44.9	1.12
45 – 49.9	1.16
50 – 54.9	1.2
55 – 59.9	1.24
60 – 64.9	1.28
65 – 69.9	1.32
70 – 74.9	1.36
75 – 79.9	1.4
80 – 89.9	1.44
90 – 99.9	1.48
100 and above	1.52

D. Application Scoring

Qualifying Infill Project applications shall be evaluated based on the criteria set forth in Sections 303, 305, 307, 308, and 309 of the IIG Guidelines.

Pursuant to Section 307(e), project applications must receive a minimum score of 210, excluding bonus points, in order to be considered for funding. Applications must contain a completed IIG Self-Scoring Worksheet along with documentation acceptable to the Department that adequately supports the Self-Score provided. Applications that do not include a Self-Scoring Worksheet will not be considered for funding. Self-Scoring Worksheets must be included within the application at the time of submittal to HCD. No additional information may be added to an application after it has been submitted.

The highest scoring applications that meet all threshold requirements will be selected for funding under each allocation in this NOFA. Applications will be funded in descending order. HCD may make adjustments in this procedure to meet approximately the following geographic distribution objectives:

- (a) Target 45 percent of total funds to projects located in Southern California (Kern, San Bernardino, San Luis Obispo, Santa Barbara, Ventura, Los Angeles, Orange, Riverside, San Diego or Imperial counties);

- (b) Target 10 percent of total funds to projects located in the Central Valley (Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus and Tulare counties); and
- (c) Target 45 percent of total funds to projects located in Northern California (those counties not specified in paragraphs (a) and (b) above).

In the event two or more applications have the same rating and ranking scores, the following bonus points will be awarded pursuant to Section 307(f) in this order of priority until there is no longer a tie:

- (1) 10 bonus points will be awarded if the Qualifying Infill Project is located within a Gold or Silver Catalyst area as designated by HCD via the Catalyst Projects for California Sustainable Strategies Pilot Program. A listing of Catalyst designees is available at http://www.hcd.ca.gov/hpd/catalyst_summaries082510.pdf.
- (2) If a tie still remains after applying the above criteria, then, an additional 5 bonus points will be awarded to the Qualifying Infill Project having the lowest ratio between the requested grant amount to the total allowable maximum grant amount per the maximum calculated in accordance to the respective program, guideline (i.e. as that maximum is calculated pursuant to Section 305(a)). All such ratios will be rounded to the nearest second decimal point.
- (3) If a tie still remains after applying the above criteria, then, an additional 3 bonus points will be awarded to the Qualifying Infill Project for each prior awarded Qualifying Infill Project developed by the Applicant Entity that has received a certificate of occupancy by the deadline for submittal of applications set forth in the NOFA.
- (4) If a tie still remains after applying the above criteria, then, an additional 1 bonus point will be awarded to the Qualifying Infill Project application received earliest by HCD.
- (5) If a tie still remains after applying the above criteria (i.e. if two or more applications remained tied and were received by HCD at the same time) then the HCD Deputy Director shall have the discretion to resolve the remaining tied applications.

Pursuant to IIG Guidelines Section 305(e), the Department must determine that the housing to be developed is reasonably expected to be financially feasible as proposed in the application in order for the application to be considered for funding.

Except for conditions pursuant to IIG Guidelines Section 308(d), applications are ineligible if construction has commenced as of the application due date on either the CIP or on the housing units designated in the application.

Pursuant to IIG Guidelines Section 305(d), applications are ineligible if the project is already fully funded or compatible funding is reasonably available.

Housing Element Compliance

Pursuant to Section 303(a)(2), the Qualifying Infill Project must be located in a Locality which has an adopted 4th cycle (per Government Code Section 65588) housing element that has been found by the Department to be in substantial compliance with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code, pursuant to Section 65585 of the Government Code. Housing element compliance must be established as of the NOFA issuance date.

A list of the status of housing elements is located at <http://www.hcd.ca.gov/hpd/hrc/plan/he/status.pdf>.

The ultimate awarding of Program funds is subject to the approval of the Division of Financial Assistance's Deputy Director. The decision of the Deputy Director is final.

APPLICATION PROCEDURES AND DEADLINE

A. Application Packaging and Submittal

For Qualifying Infill Projects, the nonprofit or for-profit developer of the Qualifying Infill Project is a required applicant, either by itself or as a joint applicant with a Locality or public housing authority with jurisdiction over the area in which the Qualifying Infill Project is located. Public agencies are not eligible as sole applicants for Qualifying Infill Projects. Transit districts, regional planning agencies, and joint powers authorities are not eligible joint applicants, except that joint powers authorities comprised entirely of eligible applicants are eligible, jointly with the developer of the Qualifying Infill Project, where the authority granted to the joint powers authority encompasses the activities necessary to comply with the requirements of the Program.

A complete original application, plus one copy, must be received by the Department no later than **5:00 p.m. on Wednesday, July 31, 2013**. No facsimiles, late applications, incomplete applications, or application revisions will be accepted. Applications must meet all eligibility requirements upon submission. Applications having material internal inconsistencies will not be rated and ranked.

The IIG Program will utilize a Grant Application with attachments. **The application forms will be available on HCD's website.** Modification of the application forms by the applicant is prohibited. HCD will fund only one application for each Capital Improvement Project or portion thereof. In this NOFA, HCD will fund only one application for each Qualifying Infill Project.

It is the applicant's responsibility to ensure that the application is clear, complete and accurate. After the application deadline, IIG staff may request clarifying information and/or inquire as to where in the application specific information is located provided that such information does not affect the competitive rating of the application. No information, whether written or oral, will be solicited or accepted if this information would result in a competitive advantage to an applicant or a competitive disadvantage to other applicants. No applicant may appeal HCD's evaluation of another applicant's application.

B. Application Workshop

To assist applicants in preparing their application, HCD will conduct Application Workshops. Detailed information regarding Workshop dates and locations will be available on HCD's website.

C. State Prevailing Wages

Program funds will be considered to be public funds pursuant to State Prevailing Wage Law: Chapter 1 of Part 7 of Division 2 of the Labor Code, commencing with Section 1720, unless exempt by the terms of that statute (see Labor Code Section 1720, subdivisions (c) and (d)). The nature and extent of prevailing wage obligations will depend on the financial structure of each project receiving or supported by Program assistance. Applicants are urged to seek professional advice as to how this law may affect their application.

D. Disclosure of Application

Information provided in the application will become public record available for review by the public pursuant to the Public Records Act. As such, any materials provided will be disclosable to any person making a public records request. As such, HCD cautions you to use discretion in providing us with information that is not specifically requested, including but not limited to, bank account numbers, personal phone numbers and home addresses. By providing this information to HCD, the Applicant is waiving any claim of confidentiality and consents to the disclosure of all submitted material upon request.

E. Other Information

The IIG Program's application forms, workshop details, and related program information, will be posted on its website at <http://www.hcd.ca.gov/fa/iig>.

HCD offices will be moving effective July 8th. The IIG Program will be located at:

2020 W. El Camino Avenue, Sacramento, CA 95833

Questions may be directed to the IIG Program at (916) 324-1555 or e-mailed to infill@hcd.ca.gov.